

State Notes

TOPICS OF LEGISLATIVE INTEREST

November/December



Michigan Child Support Enforcement MiCSES—Update by Constance A. Cole, Fiscal Analyst and Bill Bowerman, Chief Analyst

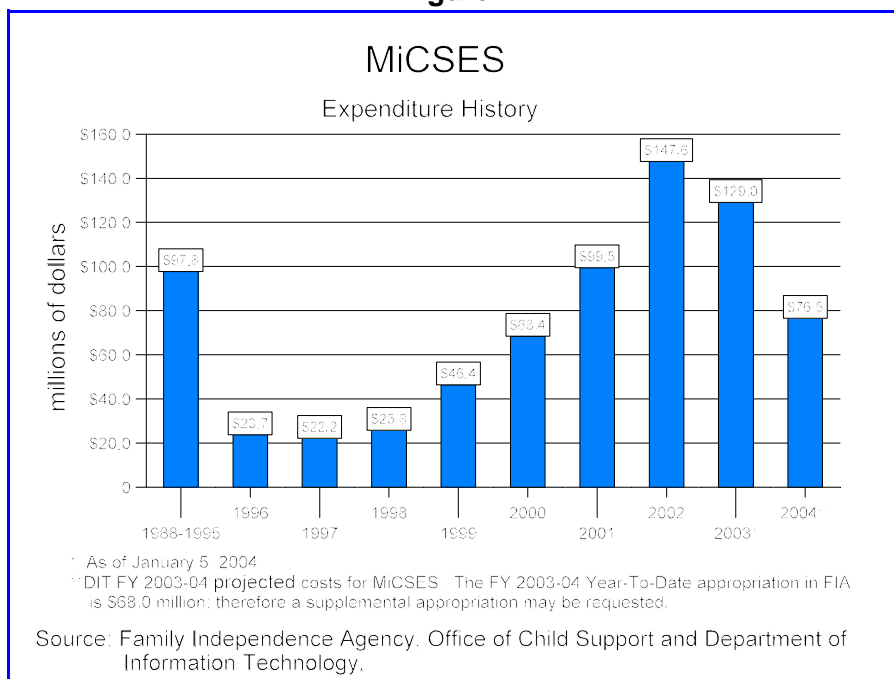
Introduction

Michigan has undergone a very long and expensive process in achieving compliance with the Federal mandate that states implement and operate an automated statewide child support enforcement system, pursuant to the Federal Family Support Act of 1988 as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The State of Michigan Child Support Enforcement System (MiCSES) was deployed statewide on September 30, 2003, and certified on November 25, 2003; however, the State still must achieve a process of system operation that meets the needs of all the users of MiCSES. The following article provides an overview of MiCSES.

Development and Implementation

Through fiscal year (FY) 2001-02, Michigan spent approximately \$531.4 million on development, implementation, and operation of MiCSES as illustrated in [Figure 1](#). The estimated expenditures for FY 2002-03 were approximately \$129 million, for a total of \$660.4 million spent from FY 1987-88 through FY 2002-03 on the MiCSES for such costs as State and contracted development, maintenance and operations, MiCSES hardware and equipment, staff, rent, and utilities.

Figure 1





Fiscal Year 2003-04 Department of Information Technology (DIT) projected costs for MiCSES are estimated at \$76.5 million.¹ Projected expenditures include an estimated 221.0 positions and \$26.5 million associated with staffing for project management, application development, infrastructure and systems support, testing, implementation/training, business analysts, business operations, end user computing, and other support functions. The staffing is down from the 506 positions included in FY 2002-03 during the conversion to MiCSES. Other costs included \$15.4 million for hardware, software, and equipment maintenance; \$33.8 million for contractual services, supplies, and materials (including vendor costs); and \$450,000 for site preparation. The FY 2003-04 year-to-date Family Independence Agency (FIA) appropriation includes \$68 million to be transferred to the DIT.

Due to the failure of the State to achieve Federal certification by the original deadline of October 1, 1995, penalties assessed against and paid by the State totaled approximately \$68.7 million for FY 1997-98 through FY 2000-01. Due to certification by November 25, 2003, the State received a refund of \$34.8 million (90% of the penalties paid in FY 2000-01); therefore, the net penalty paid by the State was \$33.9 million.

Section 313(3) of Public Act 155 of 2003 (FY 2003-04 Judiciary appropriations) appropriated the first \$6 million of the penalty refund to the Judiciary for deposit into the Judicial Technology Improvement Fund. A portion of the \$6 million appropriation (not less than \$1 million or more than \$2 million) is earmarked for the development and operation of a cyber court system. The Judicial Technology Improvement Fund was created in FY 2001-02 to provide funding for the development of a statewide judicial information system. The Fund may also provide grants to local trial court funding units to encourage technology innovations by local trial courts.

After the \$6 million allocation to the Judiciary, \$28.8 million of the Federal refund was appropriated in the FY 2002-03 and FY 2003-04 FIA appropriations under Section 413. Approximately \$8.8 million for MiCSES was spent in FY 2002-03. In FY 2003-04 approximately \$6.5 million was vetoed by the Governor and \$9.6 million was used in the supplemental appropriation, Public Act 237 of 2003, to restore \$11.6 million in Executive Order 2003-23 reductions to the MiCSES appropriation.

According to the FIA, there have been many problems with the implementation and operation of MiCSES, including changes in contractors and strategies. The problems experienced by Michigan during the conversion to MiCSES were similar to problems other states faced during their conversion process; as a result of MiCSES being unavailable or "down" during conversion, some support checks were late and data entry was delayed. The number of users of MiCSES and the size of the caseload also have added to the difficulty of implementing the new system required by the Federal government. The statewide child support program includes FIA Office of Child Support (OCS) operations (central and regional offices), 65 local Friend of the Court offices, 83 county prosecuting attorney offices, and the Department of Attorney General. There are approximately 2,600 child support professionals in those offices using MiCSES. According to Annual Statistical

¹This amount does not include the cost of the State disbursement unit that provides the central location for the receipt and disbursement of certain child support payments pursuant to the Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996.



Reports of the State Court Administrative Office, in 2001 the statewide total caseload for the Friend of the Court was 812,631. In the circuit courts of the State, during the same year there were 25,810 divorce cases with children filed, and 20,501 new paternity cases. These offices had to learn the use of and accept a new model developed to assure accountability through solving problems with processing and correctly distributing support payments, ensure the ability to enter and enforce court orders, improve case management, and track down noncustodial parents.

Status and Performance

The MiCSES has been installed in all of the State's 83 counties; all child support cases are now contained in a single statewide data base. This conversion was accomplished on a fast track in order to meet Federal requirements. As a result, MiCSES was not developed with the advantage of user testing and input to correct MiCSES problems in maintenance and operations. These problems include child support caseload conversion backlogs, case payer and payee duplications, and other customer service issues regarding support collections and payments (as mentioned above), interstate caseload issues related to data matches, and attorney and employer searches that may impede support case referrals, collections, payments and appropriate court action.

Improvements to MiCSES are necessary to alleviate these problems. Continued staff training and other support are necessary to ensure that MiCSES is an efficient operation, and that MiCSES functionality of applications and operation maintenance are ensured through the reduction of data conversion problems and human errors. The FIA and DIT point out that the MiCSES is not only a revenue generating, but also a cost-avoiding operation for the State. The Federal child support incentive payments are earned by the State's successful program performance, and collections reduce families dependence on State and Federal aid. According to a MiCSES project update, the State will receive approximately \$30 million in incentive payments because it successfully met program performance criteria measured in FY 2001-02. The OCS expects that FY 2002-03 incentive payments will be less than in FY 2001-02 as a direct result of the system conversion and the economy. However, it is anticipated that the State will exceed the FY 2002-03 performance level in order that additional incentive payments may be earned in FY 2003-04. Therefore, it is important that these issues be addressed and MiCSES functionality problems alleviated.

Conclusion

The priority of MiCSES is to provide the support that the State's families need: to increase the receipt of support payments and give families a leg up toward self-sufficiency. The OCS, county Friend of the Court offices, county prosecuting attorney offices, and the DIT have identified the level of MiCSES supports necessary for maintenance operation and to correct existing problems. A new vendor, Accenture, replaces the former vendor, Policy Studies, Inc. The contract includes a 90-day transition period to enable the two vendors to work together for a smooth operation transition including any corrective action, in order to reduce the likelihood of future processing errors and provide needed staff support, such as additional training and on-site supports.

Footnote: The authors thank the Office of Child Support and the Department of Information Technology for providing information for this article.